

STATE OF CONNECTICUT



FY 2020 & FY 2021

Budget Update

June 21, 2019

Prepared by the Office of Policy and Management

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FY 2019 Budget Accomplishments

1. Budget is balanced and was passed before the end of regular session
2. Preserves a Budget Reserve Fund at record levels
3. Honors all budgetary caps
 - a. Spending Cap
 - b. Volatility Cap
 - c. Revenue Cap
4. Teachers' Retirement System re-amortization and establishment of a Special Capital Reserve Fund
5. No increase in Income Tax rates or general Sales Tax rate
6. Tentative agreement with Hospitals
7. Increases the minimum wage to \$15 an hour over a 4 year period
8. Establishes Paid Family Medical Leave program
9. Makes changes to state employee and retiree healthcare programs that will result in a savings of \$185 million over the next two years
10. Establishes a new Debt Free College Fund
11. Increases funding for education and workforce development
12. Does not cut appropriated municipal aid to towns and cities and brings underfunded school districts closer to full funding
13. Makes a \$75 million payment toward the cumulative GAAP deficit
14. Includes \$29 million in funding over two years for wage increases for nursing home workers
15. Expands eligibility for HUSKY A adults to 160 percent of the federal poverty level
16. Provides over \$6 million in funding for a digital front door - a new digital service that will move the public's interactions with state government online, and provide services that are personalized, more secure, efficient, and cost-effective.
17. Raises the age for the consumption of tobacco products from 18 years to 21 years old and adds taxes on consumption of E-cigarettes
18. Combats the opioid epidemic by increasing oversight and treatment
19. Increases recruitment of minority teachers in Connecticut schools by increasing student loan reimbursements
20. Sets aside \$20 million in state funds to match the generous Dalio Philanthropies' education donation

Items Expected to Be
Addressed in Upcoming Special Session(s)
Date(s) to be Determined

1. Capital Budget
2. Ratification of potential Hospital Settlement
3. Tolls

Reconciliation of General Fund Surplus
Fiscal Year 2019
(In Millions)

	Per OPM 5/20/19 Letter	Per OPM 6/20/19 Letter
1. Original Budget Balance	\$ 10.5	\$ 10.5
 <u>Revenues - Over/(Under) Budget</u>		
2. Personal Income - Withholding	\$ 430.4	\$ 430.4
3. Personal Income - Estimates and Finals	72.4	(27.6)
4. Sales and Use	137.3	177.2
5. Corporation Tax	127.1	152.1
6. Pass-through Entity	450.0	560.0
7. Unified Gift and Estate Tax	36.0	52.5
8. Refunds of Taxes	(112.2)	(127.1)
9. Indian Gaming	51.0	51.0
10. Federal Grants	(39.5)	(39.5)
11. Transfers to Budget Reserve Fund - Volatility Cap	(522.4)	(532.4)
12. All Other	(47.8)	6.3
13. Total Revenue Change	\$ 582.3	\$ 702.9
 <u>Expenditures - Additional Requirements/ Change in Lapses</u>		
14. Department of Correction	\$ (44.9)	\$ -
15. Office of Early Childhood	(12.1)	-
16. Department of Mental Health and Addiction Services	(3.5)	-
17. Department of Children and Families	(4.5)	-
16. Net Change in Lapses	107.0	52.5
17. Total Additional Requirements/Lapses	\$ 42.0	\$ 52.5
 18. Miscellaneous Adjustments (Adjudicated Claims)	\$ (63.0)	\$ (65.0)
 19. Operating Surplus/(Deficit) Prior to Actions	\$ 571.8	\$ 700.9
 <u>Actions Taken per Adopted Budget (P.A. 19-117)</u>		
20. Teachers Retirement Fund - Capital Reserve (sec. 90)	\$ (380.9)	\$ (380.9)
21. Reserve for Potential Hospital Settlement (sec. 50)	(160.0)	(160.0)
22. DSS Medicaid Carryforward (sec. 38)	(17.6)	-
23. Alternative Higher Education Carryforward (sec. 53)	(13.0)	-
22. Total Actions Taken	\$ (571.5)	\$ (540.9)
 23. Estimated FY 2019 Year-End Operating Surplus/(Deficit)	\$ 0.3	\$ 160.0

Note: Year-end deficit based on OPM estimates as adjusted by P.A. 19-117.

General Fund
Baseline Estimate Versus Adopted Budget
PA 19-117
June 5, 2019
(In millions)

	Fiscal Year 2020			Fiscal Year 2021		
	Baseline	Policy	Adopted	Baseline	Policy	Adopted
	<u>Estimate</u>	<u>Changes</u>	<u>Budget</u>	<u>Estimate</u>	<u>Changes</u>	<u>Budget</u>
Revenue						
1. Revenues, Gross	\$ 18,400.5	\$ 1,059.7	\$ 19,460.2	\$ 18,689.8	\$ 1,458.4	\$ 20,148.2
2. Revenue Cap	99.50%	99.50%	99.50%	99.25%	99.25%	99.25%
3. Revenue Cap Deduction	<u>(92.0)</u>	<u>(5.3)</u>	<u>(97.3)</u>	<u>(140.2)</u>	<u>(10.9)</u>	<u>(151.1)</u>
4. Revenue, Available	\$ 18,308.5	\$ 1,054.4	\$ 19,362.9	\$ 18,549.6	\$ 1,447.5	\$ 19,997.1
Expenditures						
5. Expenditures	<u>\$ 19,528.4</u>	<u>\$ (209.3)</u>	<u>\$ 19,319.1</u>	<u>\$ 20,348.0</u>	<u>\$ (366.0)</u>	<u>\$ 19,982.0</u>
Operating Balance						
6. Surplus/(Deficit)	<u>\$ (1,219.9)</u>	<u>\$ 1,263.7</u>	<u>\$ 43.8</u>	<u>\$ (1,798.4)</u>	<u>\$ 1,813.5</u>	<u>\$ 15.1</u>
7. Deficit as a % of Baseline Revenues	6.6%			9.6%		

Baseline Revenues per April 30, 2019 Consensus Revenue Estimate

Baseline Expenditures per February 20, 2019 Governor's Budget

SPENDING CAP CALCULATIONS

For FY 2020 and FY 2021

(in millions)

	FY 2018-19 <u>Revised Budget</u>	FY 2019-20 <u>Biennial Budget</u>	FY 2020-21 <u>Biennial Budget</u>
Total All Appropriated Funds - Prior Year	\$ 20,414.3	\$ 20,855.4	\$ 21,285.2
Passport to Parks	(4.1)	-	-
Higher Ed Alternative Retirement Plan	-	42.6	-
Net Budgeting of CCDF	-	(63.7)	-
Husky D (FY 20 and FY 21)	-	38.4	55.8
Rebase HUSKY B for Federal Change	-	3.4	4.9
Adjusted Total All Appropriated Funds	\$ 20,410.2	\$ 20,876.1	\$ 21,346.0
Less "Non-Capped" Expenditures:			
Debt Service	2,894.3	2,864.8	2,975.8
SERS/TRS/JRS UAL	2,088.5	2,222.9	(1) 2,210.9
Federal Funds	<u>1,592.4</u>	<u>1,587.0</u>	<u>1,463.1</u>
Total "Non-Capped" Expenditures - Prior Year	\$6,575.3	\$6,674.7	\$6,649.8
Total "Capped" Expenditures	\$13,834.9	\$14,201.4	\$14,696.2
Allowable Cap Growth Rate	1.77%	3.05%	2.77%
Allowable "Capped" Growth	<u>244.2</u>	<u>432.8</u>	<u>407.1</u>
"Capped" Expenditures	\$14,079.1	\$14,634.2	\$15,103.26
Plus "Non-Capped" Expenditures:			
Debt Service	\$2,864.8 (3)	\$2,975.8	\$3,136.8
Federal Mandates and Court Orders (new \$)	3.6	1.5	1.5
SERS/TRS/JRS UAL	2,244.0	2,210.9	(4) 2,360.8 (4)
Federal Funds	<u>1,664.3</u>	<u>1,463.1</u>	<u>1,468.8</u>
Total "Non-Capped" Expenditures	\$6,776.7	\$6,651.3	\$6,967.8
Total All Expenditures Allowed	\$20,855.9	\$21,285.5	\$22,071.1
Appropriation for this year	\$20,855.4 (3)	\$21,285.2	\$22,066.1
Amount Total Appropriations are Over/ (Under) the Cap	\$ (0.5)	\$ (0.2)	\$ (5.0)

(1) Rebased to reflect OPM estimate of payment of unfunded liabilities.

(2) Rebased to reflect January 15, 2019 consensus revenue. Adjustment made for FY 2018 hospital payments and net budgeting of CCDF.

(3) Adjusted to reflect \$381 million transfer to Teachers' Retirement Fund Special Capital Reserve

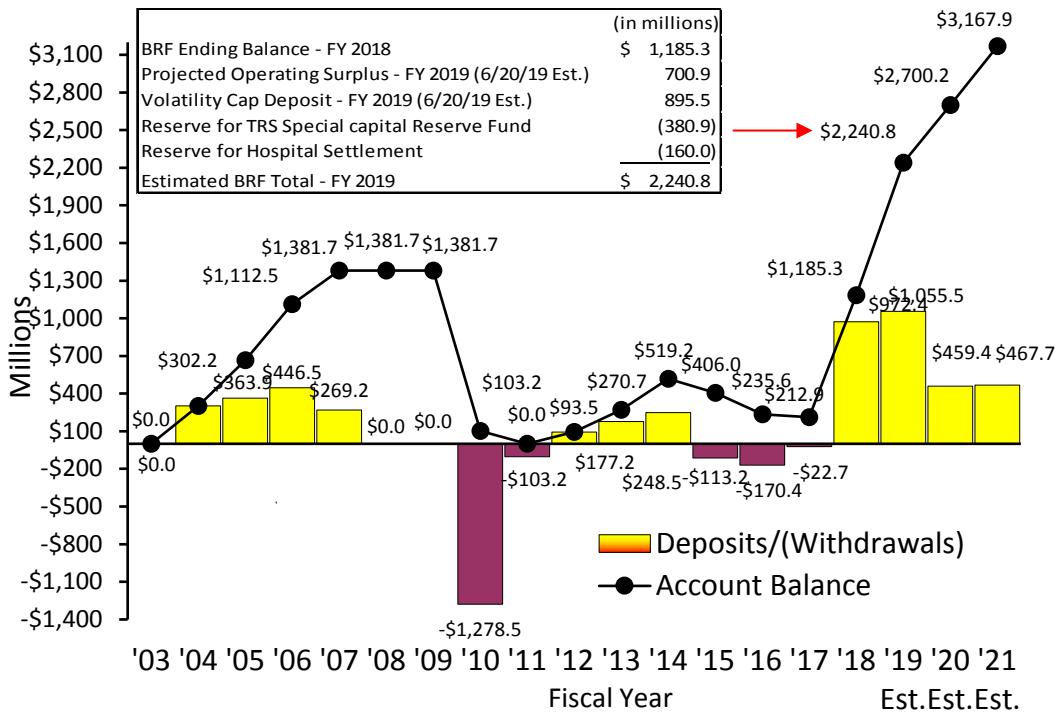
(4) UAL per OFA 6/6/2019

BUDGET RESERVE FUND PROJECTIONS

(In Millions)

Fiscal Year	Beginning Balance	Volatility Cap Transfer	Revenue Cap Transfer	Operating Surplus	Ending Balance	% of Net Appropriations
2019	\$ 1,185.3	\$ 895.5	\$ -	\$ 160.0	⁽¹⁾ \$ 2,240.8	11.6%
2020	2,240.8	318.3	97.3	43.8	\$ 2,700.2	13.5%
2021	2,700.2	301.5	151.1	15.1	\$ 3,167.9	15.4%
TOTALS		\$ 1,515.3	\$ 248.4	\$ 218.9		

(1) Anticipated FY 2019 surplus after \$380.9 million transfer to Teachers' Retirement System Special Capital Reserve, and \$160.0 million for the potential hospital settlement. FY 2019 updated for OPM 6/20/2019 Letter.



SUMMARY OF APPROPRIATION CHANGES - FY 2020 Over FY 2019
 (In Millions)

	Appropriation FY 2019	Net Adjustments FY 2020	Enacted Appropriation FY 2020	% Growth Over FY 2019
General Fund	\$ 18,998.2	\$ 320.9	\$ 19,319.1	1.7%
Special Transportation Fund	1,617.3	93.0	1,710.3	5.7%
Banking Fund	27.0	0.6	27.6	2.3%
Insurance Fund	94.3	9.9	104.2	10.5%
Consumer Counsel and Public Utility Fund	25.6	1.9	27.4	7.3%
Workers' Compensation Fund	24.9	3.1	28.0	12.4%
Mashantucket Pequot & Mohegan Fund	49.9	1.5	51.5	3.1%
Regional Market Operating Fund	1.1	0.0	1.1	1.6%
Criminal Injuries Compensation Fund	2.9	-	2.9	0.0%
Tourism Fund	12.9	0.3	13.1	1.9%
Total	\$ 20,854.2	\$ 431.1	\$ 21,285.2	2.1%

SUMMARY OF APPROPRIATION CHANGES - FY 2021 Over FY 2020
 (In Millions)

	Enacted Appropriation FY 2020	Net Adjustments FY 2021	Enacted Appropriation FY 2021	% Growth Over FY 2020
General Fund	\$ 19,319.1	\$ 662.9	\$ 19,982.0	3.4%
Special Transportation Fund	1,710.3	106.1	1,816.3	6.2%
Banking Fund	27.6	1.1	28.8	4.1%
Insurance Fund	104.2	9.1	113.3	8.7%
Consumer Counsel and Public Utility Fund	27.4	1.1	28.5	3.9%
Workers' Compensation Fund	28.0	0.6	28.7	2.2%
Mashantucket Pequot & Mohegan Fund	51.5	-	51.5	0.0%
Regional Market Operating Fund	1.1	0.0	1.1	2.0%
Criminal Injuries Compensation Fund	2.9	-	2.9	0.0%
Tourism Fund	13.1	(0.1)	13.1	-0.6%
Total	\$ 21,285.2	\$ 780.8	\$ 22,066.1	3.7%

GENERAL FUND APPROPRIATIONS - SUMMARY OF CHANGES

Adjustments to Current Services

(in millions)

	Gov 2020	Gov 2021	Final 2020	Final 2021
Current Services Adjustments				
Debt Service	\$ 73.5	\$ 242.6	\$ 59.5	\$ 199.1
State Employee Wages and Coll. Barg. Increases	66.1	232.2	66.1	232.2
State Employees' Pension and Healthcare	221.5	436.5	216.5	431.5
Teachers' Pension and Healthcare	112.2	161.3	112.2	161.3
Hospitals - Supplemental & Current DRG	(388.9)	(391.6)	(388.9)	(391.6)
Caseload, Utilization, Reimb., and COLAs	219.2	369.8	215.7	366.3
Statutory Grants and Rates	192.4	260.7	192.4	260.7
All Other	<u>34.3</u>	<u>38.4</u>	<u>34.3</u>	<u>38.4</u>
Total - Current Services Updates	\$ 530.3	\$ 1,349.8	\$ 507.8	\$ 1,297.8
Extend Current Policies				
Maintain Hospital User Fee	\$ 326.8	\$ 326.8	\$ 326.8	\$ 326.8
Maintain Statutory Formula Aid and Rates	(200.5)	(268.1)	(200.5)	(268.1)
All Other	<u>(31.9)</u>	<u>(17.2)</u>	<u>(31.9)</u>	<u>(17.2)</u>
Total - Current Policies	\$ 94.4	\$ 41.5	\$ 94.4	\$ 41.5
New Policy Proposals				
Reduce Debt Issuance	\$ (14.4)	\$ (63.9)	\$ (14.4)	\$ (63.9)
Achieve Labor Savings	(181.9)	(276.8)	(163.2)	(256.2)
Reduce Teachers' Pension Costs	(183.4)	(189.4)	(183.4)	(189.4)
Increase ECS	20.6	42.3	40.5	78.2
Pension Subsidies for UCHC, CCC and Res. Troopers			43.4	22.3
Increased NH Rates			11.0	18.5
Husky A Exp.			5.3	9.1
Min. Wage Inc.			1.6	8.6
Probate Courts			2.9	8.2
Hep. C Funding			-	20.0
Various Leg. Priorities*			27.9	30.2
Carryforwards / PFML & CIA off-budget			(39.2)	(16.4)
Increased Lapse Targets			(24.5)	(31.7)
All Other	<u>(4.4)</u>	<u>(34.9)</u>	<u>11.0</u>	<u>7.1</u>
Total - New Policies	\$ (363.6)	\$ (522.6)	\$ (281.3)	\$ (355.5)
Total Change from FY 2019	\$ 261.1	\$ 868.7	\$ 320.9	\$ 983.8

* Includes new or expanded funding for JJ Outreach, JJ Planning, JRBs, Probate Courts, YSBs, CMHC, West River, Pilot Re-entry program, Manufacturing Pipeline, SAMA, Funeral Allowance, MRDA, Afterschool programs, ABD, Adv. Manufacturing Coursework, African Am. / Hispanic Curriculum, Air Quality Monitoring in Sherman, ASD, Boys and Girls Village, Center for medicare Advocacy, Charter Oak Urgent Care, CT Diaper Bank, Youth Employment Prog., CRIS Radio, Ed Advance, Fair Haven Clinic, Full Circle Youth Emplymt, HRD-Hispanic, Green Jobs Initiative, Groton and Thompson, Hartford 2000, JFACT Citizen Training, Jobs Funnel Prog, Juvenile Services, Manufaturing Init., Meals on Wheels, Natchaug Hosp., Occum Fire Station, Person to Person, Platform for Employment, Project Longevity, S. Windsor Nutritional Ed., Minority Teacher Inc., CCSU O'Neil Chair, Veteran Machinist Training, West Haven Fire Dist. - Allentown, WBDC, YMCA, Youth Svcs Prev., Welcome Centers, Communities of Color, Childcare rates, and LGBTQ HHS Network.

STATE OF CONNECTICUT

GENERAL FUND

Adopted Revenue Schedule

(In Millions)

	FY 2020			FY 2021		
	April 30, 2019	Consensus	PA 19-117	April 30, 2019	Consensus	PA 19-117
	Revenue	Revenue	Projected	Revenue	Revenue	Projected
	Forecast	Changes	Revenue	Forecast	Changes	Revenue
Taxes						
PIT - Withholding	\$ 6,808.6	\$ 101.9	\$ 6,910.5	\$ 7,062.6	\$ 105.9	\$ 7,168.5
PIT - Estimates and Finals	2,767.5	(5.0)	2,762.5	2,841.9	(5.0)	2,836.9
Sales & Use Tax	4,299.1	145.0	4,444.1	4,319.6	268.8	4,588.4
Corporation Tax	1,005.4	94.4	1,099.8	1,065.2	17.3	1,082.5
Pass-through Entity Tax	850.0	-	850.0	850.0	-	850.0
Public Service Tax	237.7	-	237.7	244.7	-	244.7
Inheritance & Estate Tax	165.8	-	165.8	146.3	-	146.3
Insurance Companies Tax	203.3	-	203.3	205.8	-	205.8
Cigarettes Tax	347.1	(2.4)	344.7	329.9	(3.0)	326.9
Real Estate Conveyance Tax	217.5	(0.1)	217.4	224.4	6.2	230.6
Alcoholic Beverages Tax	64.4	4.5	68.9	64.8	4.9	69.7
Admissions & Dues Tax	42.7	(0.8)	41.9	43.1	(1.6)	41.5
Health Provider Tax	534.0	516.1	1,050.1	535.5	516.1	1,051.6
Miscellaneous Tax	20.7	27.7	48.4	21.2	26.8	48.0
Total Taxes	\$ 17,563.8	\$ 881.3	\$ 18,445.1	\$ 17,955.0	\$ 936.4	\$ 18,891.4
Less Refunds of Tax	(1,412.3)	103.0	(1,309.3)	(1,481.9)	103.0	(1,378.9)
Less Earned Income Tax Credit	(97.3)	-	(97.3)	(100.6)	-	(100.6)
Less R&D Credit Exchange	(5.1)	-	(5.1)	(5.2)	-	(5.2)
Total - Taxes Less Refunds	\$ 16,049.1	\$ 984.3	\$ 17,033.4	\$ 16,367.3	\$ 1,039.4	\$ 17,406.7
Other Revenue						
Transfers-Special Revenue	\$ 366.0	\$ 2.0	\$ 368.0	\$ 374.6	\$ 2.0	\$ 376.6
Indian Gaming Payments	226.0	-	226.0	225.4	-	225.4
Licenses, Permits, Fees	322.7	18.5	341.2	300.6	83.7	384.3
Sales of Commodities	30.2	-	30.2	31.0	-	31.0
Rents, Fines, Escheats	158.5	-	158.5	160.9	-	160.9
Investment Income	52.6	-	52.6	52.9	-	52.9
Miscellaneous	178.1	-	178.1	181.7	-	181.7
Less Refunds of Payments	(66.4)	-	(66.4)	(67.7)	-	(67.7)
Total - Other Revenue	\$ 1,267.7	\$ 20.5	\$ 1,288.2	\$ 1,259.4	\$ 85.7	\$ 1,345.1
Other Sources						
Federal Grants	\$ 1,401.8	\$ 124.2	1,526.0	\$ 1,385.9	\$ 122.7	\$ 1,508.6
Transfer From Tobacco Fund	136.0	-	136.0	114.5	-	114.5
Transfers From/ (To) Other Funds	(130.8)	(74.3)	(205.1)	(130.8)	205.6	74.8
Transfers to BRF - Volatility Adjustment	(323.3)	5.0	(318.3)	(306.5)	5.0	(301.5)
Total - Other Sources	\$ 1,083.7	\$ 54.9	\$ 1,138.6	\$ 1,063.1	\$ 333.3	\$ 1,396.4
Total - General Fund Revenues	\$ 18,400.5	\$ 1,059.7	\$ 19,460.2	\$ 18,689.8	\$ 1,458.4	\$ 20,148.2

STATE OF CONNECTICUT
Estimated General Fund Revenues
FY 2019 and FY 2020 and FY 2021 Biennial Budget
(In Millions)

Taxes	FY 2019		FY 2020		FY 2021	
	6/20/2019	Economic Growth Rate*	6/5/2019 Adopted Budget	Economic Growth Rate*	6/5/2019 Adopted Budget	Economic Growth Rate*
	<u>Estimate</u>	<u>Rate*</u>	<u>Budget</u>	<u>Rate*</u>	<u>Budget</u>	<u>Rate*</u>
Personal Income Tax						
Withholding	\$ 6,578.1	7.2	\$ 6,910.5	5.3	\$ 7,168.5	4.0
Estimates and Finals	2,932.3	(18.2)	2,762.5	(5.6)	2,836.9	2.7
Sales & Use Tax	4,330.8	3.2	4,444.1	1.8	4,588.4	2.4
Corporation Tax	1,072.3	14.5	1,099.8	0.4	1,082.5	3.0
Pass-Through Entity Tax	1,160.0	0.0	850.0	0.0	850.0	0.0
Public Service Tax	248.3	10.5	237.7	(3.4)	244.7	1.9
Inheritance & Estate Tax	228.7	9.2	165.8	(16.0)	146.3	1.6
Insurance Companies Tax	195.0	(10.5)	203.3	4.0	205.8	1.2
Cigarettes Tax	365.5	(5.0)	344.7	(5.0)	326.9	(5.0)
Real Estate Conveyance Tax	209.4	3.1	217.4	3.9	230.6	3.5
Alcoholic Beverages Tax	65.0	2.8	68.9	(0.9)	69.7	0.6
Admissions & Dues Tax	46.8	3.8	41.9	1.6	41.5	0.9
Health Provider Tax	1,049.2	0.9	1,050.1	0.9	1,051.6	1.0
Miscellaneous Tax	<u>19.5</u>	<u>3.1</u>	<u>48.4</u>	<u>2.8</u>	<u>48.0</u>	<u>3.3</u>
Total Taxes	\$ 18,500.9		\$ 18,445.1		\$ 18,891.4	
Less Refunds of Tax	(1,367.3)		(1,309.3)		(1,378.9)	
Less Earned Income Tax	(94.2)		(97.3)		(100.6)	
Less R&D Credit Exchange	<u>(5.4)</u>		<u>(5.1)</u>		<u>(5.2)</u>	
Total Taxes Less Refunds	\$ 17,034.0		\$ 17,033.4		\$ 17,406.7	
<u>Other Revenue</u>						
Transfers-Special Revenue	\$ 366.5		\$ 368.0		\$ 376.6	
Indian Gaming Payments	254.6		226.0		225.4	
Licenses, Permits, Fees	297.6		341.2		384.3	
Sales of Commodities	28.1		30.2		31.0	
Rents, Fines, Escheats	166.1		158.5		160.9	
Investment Income	49.8		52.6		52.9	
Miscellaneous	209.1		178.1		181.7	
Refund of Payments	<u>(60.1)</u>		<u>(66.4)</u>		<u>(67.7)</u>	
Total Other Revenue	\$ 1,311.7		\$ 1,288.2		\$ 1,345.1	
<u>Other Sources</u>						
Federal Grants	\$ 2,072.9		\$ 1,526.0		\$ 1,508.6	
Trans. From Tobacco Settlement Fund	110.2		136.0		114.5	
Transfers to Other Funds	78.3		(205.1)		74.8	
Transfer to BRF - Volatility	<u>(895.5)</u>		<u>(318.3)</u>		<u>(301.5)</u>	
Total Other Sources	\$ 1,365.9		\$ 1,138.6		\$ 1,396.4	
Total General Fund Revenues	\$ 19,711.6		\$ 19,460.2		\$ 20,148.2	
Revenue Cap Deduction	<u>-</u>		<u>(97.3)</u>		<u>(151.1)</u>	
Available Net General Fund Revenue	\$ 19,711.6		\$ 19,362.9		\$ 19,997.1	

* Growth Rates reflect baseline economic activity prior to any tax changes.

SPECIAL TRANSPORTATION FUND
Adopted Revenue Schedule
(In Millions)

	FY 2020			FY 2021		
	April 30, 2019	2019	April 30, 2019	2019	April 30, 2019	2019
	Consensus Revenue Forecast	Legislative Revenue Changes	PA 19-117 Projected Revenue	Consensus Revenue Forecast	Legislative Revenue Changes	PA 19-117 Projected Revenue
Taxes						
Motor Fuels Tax	\$ 507.2	\$ -	\$ 507.2	\$ 505.1	\$ -	\$ 505.1
Oil Companies Tax	322.9	-	322.9	330.2	-	330.2
Sales and Use Tax	468.9	(54.6)	414.3	562.0	(107.9)	454.1
Sales Tax - DMV	<u>85.7</u>	<u>-</u>	<u>85.7</u>	<u>86.1</u>	<u>-</u>	<u>86.1</u>
Total Taxes	\$ 1,384.7	\$ (54.6)	\$ 1,330.1	\$ 1,483.4	\$ (107.9)	\$ 1,375.5
Less Refunds of Taxes	(14.3)	-	(14.3)	(15.0)	-	(15.0)
Total - Taxes Less Refunds	\$ 1,370.4	\$ (54.6)	\$ 1,315.8	\$ 1,468.4	\$ (107.9)	\$ 1,360.5
Other Sources						
Motor Vehicle Receipts	\$ 254.4	\$ 25.7	\$ 280.1	\$ 256.4	\$ 49.5	\$ 305.9
Licenses, Permits, Fees	145.5	-	145.5	146.6	-	146.6
Interest Income	36.1	-	36.1	36.7	-	36.7
Federal Grants	12.1	-	12.1	11.8	-	11.8
Transfers From (To) Other Funds	(5.5)	(30.0)	(35.5)	(5.5)	30.0	24.5
Less Refunds of Payments	(5.0)	-	(5.0)	(5.2)	-	(5.2)
Total - Other Sources	\$ 437.6	\$ (4.3)	\$ 433.3	\$ 440.8	\$ 79.5	\$ 520.3
Total - STF Revenues	\$ 1,808.0	\$ (58.9)	\$ 1,749.1	\$ 1,909.2	\$ (28.4)	\$ 1,880.8

SPECIAL TRANSPORTATION FUND - STATEMENT OF FINANCIAL CONDITION

(In Millions)

<u>Actual & Projected Revenues</u>	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
1. Motor Fuels Tax, Motor Vehicle Receipts,							
2. Licenses, Permits, Fees	\$ 894.8	\$ 915.2	\$ 907.1	\$ 908.1	\$ 909.4	\$ 910.1	\$ 910.8
3. Sales & Use Tax	327.5	370.7	468.9	562.0	640.7	749.2	767.9
4. Sales Tax - DMV	85.9	86.7	85.7	86.1	86.7	87.1	87.6
5. Oil Companies Tax	312.5	307.5	322.9	330.2	339.2	347.7	356.4
6. Federal Grants	12.2	12.3	12.1	11.8	11.0	10.1	9.2
7. Interest Income	17.7	35.2	36.1	36.7	37.3	38.0	38.8
8. Transfers from / (to) Other Funds	(5.5)	(5.5)	(5.5)	(5.5)	(5.5)	(5.5)	(5.5)
9. Total Revenues	\$ 1,645.0	\$ 1,722.1	\$ 1,827.3	\$ 1,929.4	\$ 2,018.8	\$ 2,136.7	\$ 2,165.2
10. Refunds	(14.9)	(37.9)	(19.3)	(20.2)	(20.8)	(21.2)	(21.6)
11. Total Net Revenues	\$ 1,630.1	\$ 1,684.2	\$ 1,808.0	\$ 1,909.2	\$ 1,998.0	\$ 2,115.5	\$ 2,143.6
12. Revenue Cap Adjustment	-	-	(9.0)	(14.3)	(20.0)	(26.4)	(32.2)
13. Budget Revenues	\$ 1,630.1	\$ 1,684.2	\$ 1,799.0	\$ 1,894.9	\$ 1,978.0	\$ 2,089.1	\$ 2,111.4
<u>Projected Debt Service and Expenditures</u>							
14. Projected Debt Service on the Bonds	\$ 575.0	\$ 645.7	\$ 690.6	\$ 764.9	\$ 830.8	\$ 921.0	\$ 1,010.9
15. DOT Budgeted Expenses	639.9	680.0	702.8	719.6	762.8	785.3	808.7
16. DMV Budgeted Expenses	59.7	65.4	67.9	70.9	73.7	76.7	79.8
17. Other Budget Expenses	195.8	216.4	258.3	275.1	294.0	311.5	314.3
18. Program Costs Paid from Current Operations	11.5	13.6	13.7	13.7	14.0	14.3	14.7
19. Estimated Unallocated Lapses	0.0	0.0	(12.0)	(12.0)	(12.0)	(12.0)	(12.0)
20. Total Expenditures	\$ 1,482.0	\$ 1,621.1	\$ 1,721.3	\$ 1,832.2	\$ 1,963.3	\$ 2,096.8	\$ 2,216.4
21. Excess (Deficiency)	\$ 148.1	\$ 63.1	\$ 77.7	\$ 62.7	\$ 14.7	\$ (7.7)	\$ (105.0)
22. Revised Cumulative Excess (Deficiency)	\$ 245.7	\$ 318.7	\$ 396.4	\$ 459.1	\$ 473.8	\$ 466.1	\$ 361.1
<u>New Revenue Changes</u>							
23. Modify the Car Sales Tax Diversion (17% FY 2020, 25% FY 2021)	\$ -	\$ -	\$ (58.2)	\$ (113.4)	\$ -	\$ -	\$ -
24. Sales tax attribution of sales tax expansions	-	-	3.6	5.5	5.6	5.8	5.9
25. Increase Operator Registrations from 2 to 3 years			22.4	46.2	(0.3)	(0.9)	3.6
26. Increase Operator Licenses from 6 to 8 years			3.3	3.3	5.4	5.5	7.2
27. Transfer FY 2020 revenue for use in FY 2021	-	-	(30.0)	30.0	-	-	-
28. Total Revenue Changes	\$ -	\$ -	\$ (58.9)	\$ (28.4)	\$ 10.7	\$ 10.4	\$ 16.7
29. Total Revised Revenues	\$ 1,630.1	\$ 1,684.2	\$ 1,749.1	\$ 1,880.8	\$ 2,008.7	\$ 2,125.9	\$ 2,160.3
30. Revenue Cap Adjustment	-	-	(8.7)	(14.1)	(20.1)	(26.6)	(32.4)
31. Total Revised Budget Revenues	\$ 1,630.1	\$ 1,684.2	\$ 1,740.4	\$ 1,866.7	\$ 1,988.7	\$ 2,099.3	\$ 2,127.9
<u>New Expenditure Changes</u>							
32. DOT - Reduce Non-ADA Dial-A-Ride Program	-	-	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)
33. DOT - Provide Funds to Issue 60-Day Passes to Discharged Offenders	-	-	0.1	0.1	0.1	0.1	0.1
34. DOT - Approps Committee - Adjust Rest Area Hours of Operation	-	-	1.2	1.2	1.2	1.2	1.2
35. DEBT - Maintain \$800M in FY 2021, \$875M in FY 2022 and thereafter	-	-	-	(8.3)	(28.5)	(56.3)	(83.9)
36. DEBT - Increase Issuance for Paving (\$100M, \$75M)	-	-	6.5	11.3	14.5	14.5	14.5
37. OSC - Approps Committee - Provide Funding for Fringe Benefits for Additional	-	-	0.6	0.6	0.6	0.6	0.6
38. Pension and Healthcare Savings	-	-	(18.3)	(19.7)	(19.7)	(19.5)	(19.7)
39. Total Expenditure Changes	-	-	(11.0)	(15.9)	(32.9)	(60.5)	(88.3)
40. Total Revised Expenditures	\$ 1,482.0	\$ 1,621.1	\$ 1,710.3	\$ 1,816.3	\$ 1,930.4	\$ 2,036.3	\$ 2,128.1
41. Revised Projected Excess (Deficiency)	\$ 148.1	\$ 63.1	\$ 30.0	\$ 50.4	\$ 58.2	\$ 63.0	\$ (0.3)
42. Revised Cumulative Excess (Deficiency)	\$ 245.7	\$ 308.8	\$ 347.6	\$ 412.1	\$ 490.3	\$ 579.9	\$ 612.1
43. Revised Debt Service Coverage Ratio	2.83	2.61	2.53	2.49	2.50	2.46	2.33

Note: Table assumes debt issuance of \$850 million in FY 2020, \$875 million in FY 2021 and thereafter.

Final 2019 Legislation
General Fund
(In Millions)

Tax Type	#	PA	Sec.	Legislative Proposals	Eff. Date	Fiscal 2020	Fiscal 2021
Personal Income Tax	1.	19-117	385	Eliminate 5 year, \$500 credit for STEM college graduates	1/1/2019	\$ 3.9	\$ 7.9
	2.	19-117	332, 334	Cap teachers' pension exemption at 25% for 2 years	1/1/2019	8.0	8.0
	3.	19-117	347	Extend/Expand the Angel Investor Tax Credit to 7/1/2024	7/1/2019	(5.0)	(5.0)
	4.	19-117	Rev. Schd.	Adjust Withholding Growth Rate in FY 2020	7/1/2019	90.0	90.0
				Subtotal Personal Income Tax		\$ 96.9	\$ 100.9
Sales and Use Tax	5.	19-117	325,326	Expand to interior design services	1/1/2020	\$ 1.9	\$ 3.9
	6.	19-117	325	Expand to dry-cleaning and laundry services, excl. coin-operated	1/1/2020	8.1	16.8
	7.	19-117	325	Expand to parking	1/1/2020	1.8	3.7
	8.	19-117	319-322	Increase tax on digital downloads from 1.0% to standard 6.35% rate	10/1/2019	27.5	37.1
	9.	19-117	388	Safety apparel - repeal exemption	1/1/2020	0.1	0.1
	10.	19-117	317,318	Adjust diversion of the car sales tax to the STF at 17% and 25%	7/1/2019	58.2	113.4
	11.	19-117	351	Increase in sales tax due to E-cigarettes tax	10/1/2019	0.1	0.2
	12.	19-13	Var.	Decrease in sales tax due to increase in cigarette age restriction	7/1/2019	(0.6)	(0.8)
	13.	19-117	352,353	Increase in sales tax due to alcoholic beverage tax increase	8/1/2019	0.3	0.3
	14.	19-117	Var.	Reflect STF portion of Sales Tax Expansion		(3.6)	(5.5)
	15.	19-117	331	Implement CSP to Enhance Sales Tax Collections of Online Sales	7/1/2020	-	30.0
	16.	19-117	329,330	Mandate occupancy tax be collected and remitted by on-line platforms	10/1/2019	1.5	2.0
	17.	19-117	327,328	Lower the threshold for collection of online retail Sales Tax	7/1/2019	1.5	2.0
	18.	19-117	323,324	Impose a 1% Prepared Foods Tax	10/1/2019	48.3	65.8
	19.	19-117	Var.	Tourism Fund portion of the expanded remittance of occupancy tax		(0.1)	(0.2)
	20.	19-117	323,324	Marine Diesel Fuel taxed at 2.99%	10/1/2019	<u><\$10k</u>	<u><\$10k</u>
				Subtotal Sales and Use Tax		\$ 145.0	\$ 268.8
Corporation Tax	21.	19-117	341-343	Maintain current 10% surcharge set to expire in tax year 2019 for 2 years	1/1/2019	\$ 60.0	\$ 37.5
	22.	19-117	338,339	Repeal the business entity tax of \$250	1/1/2020	-	(44.0)
	23.	19-117	349	Reduce cap on R&D and URA tax credits to 50.01%	1/1/2019	34.4	21.5
	24.	19-117	376,385	Repeal 7/7 Program	1/1/2019	-	8.0
	25.	19-117	340	Phase out Capital Stock Tax by 1/1/2024	1/1/2021	-	(5.7)
				Subtotal Corporation Tax		\$ 94.4	\$ 17.3
Public Utilities Tax	26.	19-117	350,370	Reinstate PEGPETIA Transfers starting in FY 2022	7/1/2019	\$ -	\$ -
Cigarette Tax	27.	19-117	351	Tax E-Cigarettes (10% wholesale "open" & \$0.40/ml "closed")	10/1/2019	\$ 1.9	\$ 2.5
	28.	19-13	2	Raise the Age to 21 for cigarettes	7/1/2019	<u>(4.3)</u>	<u>(5.5)</u>
				Subtotal Cigarette Tax		\$ (2.4)	\$ (3.0)
Real Estate Conveyance	29.	19-117	335,337	Mansion Tax - Home Sales above \$2.5M additional 1%	7/1/2020	\$ -	\$ 6.3
	30.	19-117	336	Exempt properties with crumbling foundations	7/1/2019	<u>(0.1)</u>	<u>(0.1)</u>
				Subtotal Real Estate Conveyance		\$ (0.1)	\$ 6.2
Alcoholic Beverages	31.	19-117	352	Reduce alcohol beverage excise taxes at craft breweries by 50%	10/1/2019	\$ (0.1)	\$ (0.1)
	32.	19-117	352	Increase Excise Tax by 10% on Alcohol - Except Beer	10/1/2019	3.8	5.0
	33.	19-117	353	Alcohol Beverage Floor Tax	10/1/2019	<u>0.8</u>	<u>-</u>
				Subtotal Alcoholic Beverages		\$ 4.5	\$ 4.9
Admissions and Dues	34.	19-117	354	Exempt Certain Venues	7/1/2019	\$ (0.8)	\$ (1.6)
Health Provider Taxes	35.	19-117	356	Maintain Hospital User Fee at FY 2019 level of \$900 million	7/1/2019	\$ 516.0	\$ 516.0
	36.	19-117	357	Technical fix to intermediate care facilities (ICF) user fee	7/1/2019	<u>0.1</u>	<u>0.1</u>
				Subtotal Health Provider Taxes		\$ 516.1	\$ 516.1
Miscellaneous Taxes	37.	19-117	355	Surcharge on Plastic Bags of 10 cents	8/1/2019	\$ 27.7	\$ 26.8
Refunds of Taxes	38.	19-117	335	Maintain Eligibility Limits on Property Tax Credits for IY 2019 & 2020	1/1/2019	\$ 53.0	\$ 53.0
	39.	19-117	333,334	Reduce Pass Through Entity Tax Credit from 93.01% to 87.5%	1/1/2019	<u>50.0</u>	<u>50.0</u>
				Subtotal Refunds of Taxes		\$ 103.0	\$ 103.0
Transfers Special Revenue	40.	19-117	358,359	Reflect enhanced OTB enforcement	10/1/2019	\$ 2.0	\$ 2.0
License, Permit and Fees	41.	19-117	344-346	Increase annual filing fee for LLC's and LLP's from \$20 to \$80	7/1/2020	\$ -	\$ 12.0
	42.	19-3	1	Fees for Industrial hemp Program		0.1	0.3
	43.	19-117	148	Include recommended tests in Newborn Screening Panel	Passage	0.1	0.1
	44.	19-117	360	Increase Ridesharing Services Fee from 25 cents to 30 cents	7/1/2019	4.5	4.6
	45.	19-13	3,5	Raise the Age for Cigarettes - Dealer Fee Increase	7/1/2020	0.8	1.2
	46.	19-117	361	Increase from \$35 to \$100 fee for automobile trade-ins	10/1/2019	7.4	9.8
	47.	19-117	368	Increase Fees per OPM Report	Passage	-	50.0
	48.	19-117	369	Transfer from the Banking Fund to the General Fund	7/1/2019	5.2	5.2
	49.	19-117	191-206	Impose \$100 licenses for each nail techs, estheticians, and eyelash techs	1/1/2020	<u>0.4</u>	<u>0.5</u>
				Subtotal License, Permit and Fees		\$ 18.5	\$ 83.7

Final 2019 Legislation
General Fund
(In Millions)

Tax Type	#	PA	Sec.	Legislative Proposals	Eff. Date	Fiscal 2020	Fiscal 2021
Federal Grants	50.	19-117		Maintain Supplemental Payments at FY 2019 level	7/1/2019	\$ 215.4	\$ 214.0
	51.	19-117		Net Appropriate for Care 4 Kids/Child Care Development Fund	7/1/2019	(67.6)	(67.6)
	52.	19-117		Increase in revenue attributable to Medicaid changes	7/1/2019	(23.6)	(23.7)
				Subtotal Federal Grants		\$ 124.2	\$ 122.7
Transfers - Other Funds	53.	19-117		Fund Higher Education Alternative Retirement Plan	7/1/2019	\$ 35.0	\$ 32.8
	54.	19-117	374	Adjust the Amortization of Historical GAAP Deficit	Passage	-	75.7
	55.	19-117	372	Transfer FY 2020 Revenue for use in FY 2021	7/1/2019	(85.0)	85.0
	56.	19-117	186	Transfer to the Philanthropic Match Account (Dario)	7/1/2019	(20.0)	-
	57.	19-117	93-95	Transfer excess funds from the CHEAPR account	10/1/2019	1.2	5.5
	58.	19-117	373	Paid Family Medical Leave - Initial Implementation		(5.1)	-
	59.	19-117	350,370	Increase PEGPETIA Transfer to \$7.0 million in FY 2020		(7.0)	-
	60.	19-117	3	Transfer to Mashantucket/Pequot Fund	7/1/2019	6.6	6.6
				Subtotal Transfers - Other Funds		\$ (74.3)	\$ 205.6
Volatility Cap Adjustment	61.	19-117	347	Extend/Expand the Angel Investor Tax credit program	7/1/2019	\$ 5.0	\$ 5.0
TOTAL GENERAL FUND REVENUE						\$ 1,059.7	\$ 1,458.4
Revenue Cap						99.50%	99.25%
Revenue Cap Deduction						(5.3)	(10.9)
TOTAL AVAILABLE GENERAL FUND REVENUE						\$ 1,054.4	\$ 1,447.5

Special Transportation Fund
(In Millions)

Tax Type	#	PA	Sec.	Legislative Proposals	Eff. Date	Fiscal 2020	Fiscal 2021
Sales and Use Tax	62.	19-117	317,318	Adjust diversion of the car sales tax to the STF at 17% and 25%	7/1/2019	\$ (58.2)	\$ (113.4)
	63.	19-117	Var.	Sales tax attribution of sales tax expansions	10/1/2019	3.6	5.5
				Subtotal Sales and Use Tax		\$ (54.6)	\$ (107.9)
Motor Vehicle Receipts	64.	HB 7201	Var.	Increase Operator Registrations from 2 to 3 years	1/1/2020	\$ 22.4	\$ 46.2
	65.	HB 7201	Var.	Increase Operator Licenses from 6 to 8 years	1/2/2020	3.3	3.3
				Subtotal Motor Vehicle Receipts		\$ 25.7	\$ 49.5
Transfers - Other Funds	64.	19-117	371	Transfer FY 2020 revenue for use in FY 2021	7/1/2019	\$ (30.0)	\$ 30.0
TOTAL SPECIAL TRANSPORTATION FUND						\$ (58.9)	\$ (28.4)
Revenue Cap						99.50%	99.25%
Revenue Cap Deduction						0.3	0.2
TOTAL AVAILABLE SPECIAL TRANSPORTATION FUND REVENUE						\$ (58.6)	\$ (28.2)

Banking Fund
(In Millions)

Tax Type	#	PA	Sec.	Legislative Proposals	Eff. Date	Fiscal 2020	Fiscal 2021
License, Permit and Fees	65.	19-117	369	Transfer from the Banking Fund to the General Fund		\$ (5.2)	\$ (5.2)
				TOTAL BANKING FUND		\$ (5.2)	\$ (5.2)

Debt-Free College Fund
(In Millions)

Tax Type	#	PA	Sec.	Legislative Proposals	Eff. Date	Fiscal 2020	Fiscal 2021
Transfers Special Revenue	66.	19-117	362,364	Authorize online lottery draw games (ilottery)		\$ 1.2	\$ 5.6
				TOTAL DEBT-FREE COLLEGE FUND		\$ 1.2	\$ 5.6

Final 2019 Legislation
General Fund
(In Millions)

Tax Type	#	PA	Sec.	Legislative Proposals	Eff. Date	Fiscal 2020	Fiscal 2021
Other Items							
	19-117	35		Use of FY 2019 Surplus/Hospital Settlement			
	19-117	82-90		Teachers' Retirement POB-SCRF			
	19-117	59-66		Deficiency Bill			
	19-117	78		Bond Premiums - Delay use by 2 years			
	19-117	385		Payroll Tax Study			
	19-117	92		Tax Incidence Delay - Two Years			
			Spc. Sess.	Bond Package			
			SB 1	Paid Family Medical Leave			
	19-117	386		Revenue Schedule			
	19-117	91		Fiscal Accountability Report (FAR) - Delay reporting date			
	19-117	34		Probate Court - Suspend transfer to G.F. of balance over 15%			
	19-117	375		STO Bond Cap - Remove limitation			
	19-117	348		Small Business Contractor - Raise threshold from \$15M to \$20M			

State of Connecticut
 One-time Items included in the Budget
 and Impact in FY 2022
 (in millions)

<u>Tax Types</u>	<u>Item</u>	<u>One-Time</u>			<u>Ongoing</u>
		<u>Fiscal</u> <u>2020</u>	<u>Fiscal</u> <u>2021</u>	<u>Fiscal</u> <u>2022</u>	
1. Personal Income Tax	Cap teachers' pension exemption at 25% for 2 years, rises to 50% in FY 2022	\$ 8.0	\$ 8.0	\$ (8.0) *	
2. Personal Income Tax	Pension and Annuity Phase In by 1/1/2025 (PA 17-2 JSS)	-	-	(16.4) *	
3. Sales and Use Tax	Adjust diversion of the car sales tax to the STF at 17% and 25%, rises to 75% in FY 2022	58.2	113.4	(184.3) *	
4. Sales and Use Tax	Municipal Revenue Sharing Account comes online in FY 2022 (PA 17-2 JSS)	-	-	(356.3) *	
5. Corporation Tax	Maintain current 10% surcharge for 2 years, no surcharge in FY 2022	60.0	37.5	(37.5) *	
6. Corporation Tax	Phase-Out Capital Stock Tax by 1/1/2024	-	-	(9.5) *	
7. Inheritance and Estate Tax	Phase in Federal Exemption level by 1/1/2023 (PA 18-81)	-	-	(13.2) *	
8. Real Estate Conveyance	Mansion Tax Credit begins in FY 2022	-	-	(1.0) *	
9. Miscellaneous Taxes	Plastic Bag Fee - Ban Plastic Bags July 1, 2021	27.7	26.8	(26.8) *	
10. Refunds of Taxes	Maintain Eligibility Limits on Property Tax Credits for IY 2019 & 2020, expire in IY 2021	53.0	53.0	(53.0) *	
11. License, Permit and Fees	Banking Fund Transfer ends in FY 2022	5.2	5.2	(5.2) *	
12. Transfers - Other Funds	Transfer FY 2020 Revenue for use in FY 2021	(85.0)	85.0	(85.0) *	
13. Transfers - Other Funds	Transfer to Mashantucket/Pequot Fund	6.6	6.6	(6.6) *	
14. Transfers - Other Funds	Use of Surplus for potential Hospital Litigation Resolution	95.0	95.0	(95.0) *	
15. Transfers - Other Funds	GAAP - Restore Funding for Cumulative GAAP Deficit	-	75.0	(85.1) *	
16. Expenditure	Debt issuance premium directed toward capital projects delay for 2 years	46.0	93.3	(120.0) *	
	Total - All Items	\$ 148.5	\$ 439.9	\$ (1,102.9) *	
	One-time as a Percent of Revenue		0.8%	2.2%	5.6%

*Items totaling \$753.8 million already reflected in April 30, 2019 Consensus Revenue Estimates. Should these policies be maintained into the next biennium, the ongoing total would be reduced by an equivalent amount.